

119th Annual Report

YEAR ENDING
DECEMBER 31, 1951

BOARDS

mt6
52-0973
B657R

BOSTON and MAINE RAILROAD

BOARD OF DIRECTORS

PHILIP R. ALLEN*	<i>Walpole, Mass.</i>	EDGAR C. HIRST	<i>Concord, N. H.</i>
ROGER AMORY	<i>Boston, Mass.</i>	HARVEY P. HOOD	<i>Brookline, Mass.</i>
RICHARD L. BOWDITCH	<i>Cambridge, Mass.</i>	ERNEST M. HOPKINS	<i>Hanover, N. H.</i>
HUGH J. CHISHOLM *	<i>Portland, Maine</i>	AUGUSTUS P. LORING, JR.†	<i>Beverly, Mass.</i>
T. JEFFERSON COOLIDGE *	<i>Brookline, Mass.</i>	JAMES L. MADDEN	<i>Danvers, Mass.</i>
FAIRMAN R. DICK	<i>New York, N. Y.</i>	JOHN R. McLANE*	<i>Manchester, N. H.</i>
HARRY H. DUDLEY	<i>Concord, N. H.</i>	ROY L. PATRICK*	<i>Burlington, Vt.</i>
EDWARD S. FRENCH*	<i>Springfield, Vt.</i>	PHILLIPS M. PAYSON	<i>Portland, Me.</i>
JAMES GARFIELD	<i>Cambridge, Mass.</i>	WILLIAM B. SKELTON	<i>Lewiston, Me.</i>
ROBERT W. STODDARD*	<i>Worcester, Mass.</i>		

* Member Executive Committee

† Died October 1, 1951

OFFICERS

<i>President and Chairman of Executive Committee</i>	E. S. FRENCH
<i>Assistant to President</i>	R. M. EDGAR
<i>Executive Vice President</i>	T. G. SUGHRUE
<i>Vice President — Finance</i>	W. S. TROWBRIDGE
<i>Treasurer</i>	E. W. SMITH
<i>Vice President — Purchases and Stores</i>	H. M. RAINIE
<i>Purchasing Agent</i>	G. H. BOLTON
<i>Vice President — Traffic</i>	P. J. MULLANEY
<i>Assistant General Traffic Manager</i>	C. F. HEARD
<i>Vice President — Operations</i>	F. W. ROURKE
<i>Vice President — Accounting</i>	G. F. GLACY
<i>Vice President — On Leave of Absence</i>	J. W. SMITH
<i>Chief Engineer</i>	S. G. PHILLIPS
<i>Assistant Chief Engineer</i>	C. S. ROBINSON
<i>General Counsel</i>	R. J. FLETCHER
<i>General Attorney</i>	J. B. SAWYER
<i>General Attorney</i>	R. JACKSON
<i>Clerk of Corporation</i>	W. J. BURNS

TRANSFER AGENTS (for old stock)

Old Colony Trust Company, 45 Milk Street, Boston, Mass.

Guaranty Trust Company, 140 Broadway, New York City

TRANSFER AGENTS (for new stock when issued)

Old Colony Trust Company, 45 Milk Street, Boston, Mass.

Central Hanover Bank and Trust Company, 70 Broadway, New York City

**CONDENSED
INCOME ACCOUNT
FOR 1951**

INCOME

	1951	Increase or Decrease from 1950	Per Cent
Operating Revenues.....	\$88,419,714 44	\$ 1,838,952 04	2.12
Operating Expenses.....	71,807,911 67	4,991,449 60	7.47
Net Revenue from Operations.....	\$16,611,802 77	d \$ 3,152,497 56	15.95
Railway Tax Accruals.....	7,710,136 71	d 866,305 38	10.10
Railway Operating Income.....	\$ 8,901,666 06	d \$ 2,286,192 18	20.43
Equipment and Joint Facility Rents — Net Dr.....	3,994,677 11	d 239,425 59	5.65
Net Railway Operating Income.....	\$ 4,906,988 95	d \$ 2,046,766 59	29.43
Other Income.....	698,829 41	d 278,670 46	28.51
<i>Total Income</i>	<u>\$ 5,605,818 36</u>	<u>d \$ 2,325,437 05</u>	<u>29.32</u>

DEDUCTIONS

Rental Payments — Fixed.....	\$ 597,802 36	\$ 112,741 09	23.24
Interest on Debt — Fixed.....	2,542,189 24	d 75,226 18	2.87
Interest on Unfunded Debt.....	11,216 65	d 1,915 79	14.59
Other Deductions.....	204,778 26	28,170 48	15.95
<i>Total Deductions</i>	<u>\$ 3,355,986 51</u>	<u>\$ 63,769 60</u>	<u>1.94</u>
Income After Fixed Charges.....	<u>\$ 2,249,831 85</u>	<u>d \$ 2,389,206 65</u>	<u>51.50</u>

d Indicates decrease.

Income after Fixed Charges (Available Net Income)

has been allocated in accordance with Mortgage

Indentures to the following purposes:

Sinking Fund for Redemption of Series RR Bonds..	\$ 679,102 00
Interest on Income Bonds Series A:	
Accrued for period, Jan. 1 to Dec. 31, 1951 at 4½%	1,031,680 00
Sinking Fund for Redemption of Series A Bonds....	482,870 00
Total Mortgage Allocations.....	<u>\$ 2,193,652 00</u>
Net Income transferred to Profit and Loss....	<u>56,179 85</u>
	<u><u>\$ 2,249,831 85</u></u>

*TO THE OWNERS OF
THE BOSTON AND MAINE RAILROAD:*

The results of the operations of your company for the year 1951 show operating revenues of \$88,419,714 and operating expenses of \$71,807,912. Revenues were 2.1% above those for 1950, and operating expenses were 7.5% higher.

Income after fixed charges amounted to \$2,249,832 and after providing for contingent interest of \$1,031,680 and sinking funds of \$1,161,972, there was left a net of \$56,180.

STATUS OF CAPITAL STOCK REORGANIZATION

The Interstate Commerce Commission's order of January 23, 1951 approving the plan of modification of the Railroad's capital stock structure was stayed pending the order of the United States District Court for the District of Columbia in an action in which a small group of minority stockholders sought to set aside the Commission's order. After an investigation lasting approximately six months the Department of Justice of the United States authorized the filing of a pleading which attacked the Railroad's method of solicitation and the procedures adopted in processing the assents. It was also asserted that error was committed by the Interstate Commerce Commission in permitting these procedures to be followed and in accepting the certificates of the depository as to the number of assents received.

The court, by its order of January 11, 1952, on motion filed by your company ruled that it would not receive any evidence which had not previously been presented to the Interstate Commerce Commission and struck that part of the pleading of the Department of Justice which attacked the procedures adopted and the methods of solicitation used. The Court heard argument of all parties concerning the Commission's order approving the plan and on February 21, 1952, handed down an opinion affirming in all respects the Commission's order of January 23, 1951 and dissolving the restraining order. However, a petition was promptly filed with the Commission by the minority group asking for reopening of the proceeding, consideration of the evidence resulting from the Department of Justice investigation, and a reconsideration of the merits of the plan. At the time of making this report the Commission have not yet ruled on the petition.

CHANGES IN LONG-TERM DEBT

Long-Term Debt outstanding in hands of Public on December 31, 1951 amounted to \$86,550,857 (see note), a decrease of \$5,481,402 since December 31, 1950.

DECREASE IN LONG-TERM DEBT

Funded Debt reacquired:

Series RR 1st Mtge. 4% Bonds due 7/1/60	\$2,207,800
Series A Income Mtge. 4½% Bonds due 7/1/70	300,000
Vermont Valley Railroad 1st Mtge. 4% Bonds due 10/1/55.	34,000
	<hr/>
Decrease Funded Debt in hands of Public	2,541,800
Decrease in Equipment Obligations ac- count installment payments during the year	2,939,602
	<hr/>
Net Decrease in Long-Term Debt in Hands of Public	\$5,481,402
	<hr/>

NOTE—Long-Term Debt of \$86,550,857 is outstanding after deducting \$7,593,900 Bonds owned by the Railroad, of which \$646,000 is pledged with Old Colony Trust Company, Trustee, in lieu of Mortgaged Property Sold.

During the period from December 31, 1939 to December 31, 1951, outstanding funded debt, other than equipment obligations, was reduced by \$44,384,330. In addition, funded debt of leased lines and obligations guaranteed by your company were reduced by \$5,486,000, bringing the total system debt reduction since December 31, 1939 to \$49,870,330.

Outstanding equipment obligations during the same period increased \$867,361.

Computed on an annual basis, total interest charges on debt outstanding December 31, 1951, including equipment obligations, were \$2,509,024 less than the year ended December 31, 1939, a reduction of approximately 41.7%.

TAXES

Railway tax accruals were \$7,722,176.71 compared with \$8,589,582.09 for the year 1950, a decrease of \$867,405.38. Comparison of taxes accrued for the two years is tabulated below:

	1951	1950	Inc.	% Inc.
	\$2,962,443.62	\$2,964,286.70	\$ 1,843.08 d	0.1 d
State and Municipal Taxes .				
Federal Taxes, Railroad Retirement (Employees' Pensions)	2,675,939.68	2,566,306.46	109,633.22	4.3
Railroad Unemployment Insurance.	224,228.71	213,790.81	10,437.90	4.9
Income Taxes	1,817,575.71	2,814,010.12	996,434.41 d	35.4 d
Other Taxes (Excise Taxes, etc.)	41,988.99	31,188.00	10,800.99	34.6
Total.	\$7,722,176.71	\$8,589,582.09	\$867,405.38 d	10.1 d
d—Decrease				

The decrease in federal income taxes of \$996,434.41 was due to lower taxable income in the year which more than offset the increase in tax rate from 42% to 52%.

Federal retirement and unemployment insurance taxes both increased over the year 1950 reflecting the higher wage rates in effect during 1951.

Acting as an unpaid collection agency for the Federal Government, your company collected from others a total of \$11,695,779.99 in excise, withholding, retirement and transportation taxes.

RETURN ON INVESTMENT

The rate of return earned by your company's net investment in transportation property as measured by net railway operating income (amount left after payment of operating expenses, taxes, equipment and joint facility rents, but before interest and other charges are paid) was 1.9% in 1951 compared with 2.7% in 1950. Property investment is the value of road and equipment used in operating the railroad, less depreciation, as shown by the books of the company, plus cash and materials and supplies.

Income represented by this low rate of return is required for such corporate uses as to pay interest on debt, make needed improvements, meet sinking funds and pay dividends.

It is recognized generally that a 6% return is essential for railroads to maintain adequately their properties, make necessary improvements, and pay a fair return to the owners.

Comparison of return on investment for the years 1947 to 1951 is shown in the table below:

	1947	1948	1949	1950	1951
Gross Revenue	\$84,277,140	\$94,165,928	\$82,238,981	\$86,580,762	\$88,419,714
Operating Expenses . .	66,484,621	73,742,349	67,091,573	66,816,462	71,807,912
Net Revenues	17,792,519	20,423,579	15,147,408	19,764,300	16,611,802
Railway Tax Accruals .	8,271,599	7,737,357	6,481,146	8,576,442	7,710,137
Equipment Rents . . .	3,295,411	3,998,851	3,327,696	3,907,191	3,647,796
Joint Facility Rents . .	294,992	416,612	355,007	326,911	346,881
Deduction from Net Revenue	11,862,002	12,152,820	10,163,849	12,810,544	11,704,814
Net Railway Operating Income (A)	5,930,517	8,270,759	4,983,559	6,953,756	4,906,988
Investment in Transportation Property including cash, materials and supplies, less Recorded Depreciation (B) . .	255,874,131	254,333,614	254,040,311	256,572,127	252,963,510
Rate of Return = A ÷ B	2.3%	3.3%	2.0%	2.7%	1.9%

OPERATING RESULTS

Gross ton miles for the year 1951 were 1.1% less than in 1950. Gross ton miles produced per freight train hour increased 1.4% over the previous year. The proportion of gross ton miles handled by diesel locomotives in freight service at the end of 1951 was 97.3%, as compared with 95.4% at the end of 1950. Of the passenger train miles 67.6% were operated with diesels at the end of 1951, as compared with 64.3% at the end of 1950.



All steel box car typical of type acquired during 1951

FREIGHT TRAFFIC

Freight revenue for the year was \$67,835,695, or 3.7% higher than in 1950, and was the largest freight revenue in any year in the company's history except 1948. Revenue ton miles showed an increase of 1.0% over 1950 and revenue per ton mile was 2.7% above 1950.

Unlike the previous year when the volume was relatively low during the early months and increased sharply following the Korean outbreak, there was little change in the aggregate traffic volume which took place in 1951. In general volume tended to decline as the year progressed with the most serious decline taking place in the movement of all rail coal, reflecting an increasing diversion to the use of competing fuels. The paper industry in northern New England, which is the largest single source of traffic volume, continued to function at a high level. The potato situation in Maine, following the harvesting of the 1951 crop, showed a marked improvement over the previous year, and without the benefit of government-supported prices, potatoes moved in good volume.

Traffic interchanged with water carriers showed an increase, although operations were hampered during the last half of the year by water-front strikes and the diversion of some regularly scheduled vessels into government service. The grain elevator at Hoosac Pier, operated by the Mystic Terminal Company, was restored to service in May. Activity increased as the year progressed, and at the year's end the elevator was being worked to capacity.

The Interstate Commerce Commission and the State Commissions in our territory approved a general interim increase in freight rates of 4% in eastern territory, and 2% in other territories and interterritorially, subject to various exceptions and maxima, which became effective April 4, 1951. The carriers had originally petitioned for a 6% general increase which was changed to a request for a 15% increase early in the year due to increased wages and cost of materials. Authority was received to make further general increases effective August 28 superseding those made on April 4, amounting to 9% within eastern territory and 6% elsewhere, subject also to various exceptions and maxima. It is estimated that this adjustment increased the general freight rate level on the Boston and Maine by about 7% over the level in effect the first of the year. The carriers renewed their request to the Interstate Commerce Commission and the State Commissions in an attempt to get the full 15% increase originally asked for.

Equality on export grain rates from Buffalo, New York, with Baltimore and Philadelphia was sought by the ports of Boston, Portland, and New York resulting in a case before the Interstate Commerce Commission. The Commission decided in favor of Baltimore and Philadelphia and this decision was appealed to a special district court which reversed the order of the Commission and permitted equalization of the rates. This decision was appealed by Baltimore and Philadelphia to the United States Supreme Court which upheld the findings of the district court. The filing of new rates re-establishing the previous differential by Baltimore and Philadelphia and the filing of equal rates by the northern ports resulted in suspension proceedings before the Interstate Commerce Commission and a renewed investigation into the differentials in 1952. In the meantime the rates remain equal. The Boston and Maine is actively participating in these cases in the interests of Boston and Portland and it is confidently anticipated that this equalization will result in increased handling of export grain shipments.

PASSENGER TRAFFIC

Passenger revenue for the year was \$11,361,086, a decline of 1.9% from 1950. The number of passengers handled was 4.4% less than last

year. This reduction was caused principally by less military travel in 1951 along with a leveling off in the volume of normal passenger travel.

Applications were filed with the State Commissions and the Interstate Commerce Commission early in the year seeking an increase in commutation fares of $66\frac{2}{3}\%$. The Interstate Commerce Commission and the New York State Commission granted the full increase requested, and higher fares were in effect during the last part of the year. However, over 90% of the commutation business is within Massachusetts and no decision had been rendered by the Massachusetts Commission up to the end of the year.

Activity has been continued in seeking approval of the discontinuance of little-used passenger trains. During the year approval was sought for discontinuance of all passenger train service on the Ashuelot, the Claremont, and the Portsmouth Branches in New Hampshire, the Stoneham Branch in Massachusetts, and the branch from Worcester, Mass. to Peterboro, N. H. The New Hampshire Commission approved the discontinuance on the Ashuelot Branch, but denied the Railroad's petition in the Claremont Branch case. This order has been appealed to the New Hampshire Supreme Court. No final action has yet been taken by the State Commissions on the Portsmouth, Stoneham and the Peterboro Branch cases.



Station building at Old Orchard Beach, Maine

Some reductions were made in the service on the Portland Division and extensive studies were conducted on the entire passenger train service. Readjustments of schedules which will result generally in improved service and substantial operating economies on some parts of our lines are planned for the spring of 1952. As a part of this program orders have already been placed with the Budd Manufacturing Company for three self-propelled rail diesel cars.

In addition to continuing such features as Race Trains, Snow Trains, and 'Round-the-Mountain trips, more special excursions, including all-expense tours, were instituted during the year with encouraging results and plans have been made to expand this program.

EXPRESS TRAFFIC

Revenue from express was \$911,530, an increase of 2.2%. This increase is attributable to higher express rates which were effective during the year. The new postal laws, effective January 1, 1952, limiting the size and weight of parcel post shipments, immediately increased the volume of traffic handled by the Railway Express Agency.

MILK TRAFFIC

Revenue from the transportation of milk and cream was \$1,319,058, a decline of less than 1% from 1950. There were no important changes in the movement of these products during the year. Favorable weather conditions in New England increased the production in this area, reducing the movement of milk and cream from the west.

RAILWAY MAIL PAY

The Interstate Commerce Commission on November 13 entered an order granting, in large part, the increases in mail pay which were requested by the railroads. The additional revenue due your company under this order amounted to \$900,000 and resulted in a substantial addition to income in 1951, and should result in higher revenues from this class of traffic in the future. However, the Post Office Department has started handling mail by truck over a few routes in our territory. The entire situation is being closely watched and it is confidently believed that experience will show that mail can be transported by rail

more economically than by truck except in short haul service within a narrow radius of a major terminal.

REAL ESTATE AND INDUSTRIAL DEVELOPMENT

Sales of Railroad-owned land in 1951 totaled 12,913,000 square feet. Of this amount over 6,600,000 square feet was sold for industrial and traffic producing purposes.



New Saco-Lowell Plant at Saco, Maine

While high construction costs and scarcity of materials resulted in postponement of construction of a number of proposed plants, there was a substantial amount of new industrial construction involving over 1,600,000 square feet of floor space completed or started along your company's lines in 1951, representing more than \$17,600,000. Twenty-one new private side tracks were constructed involving a total of 13,000 feet of track. The sale and leasing of industrial land, construction of new plant and warehouse facilities, and utilization of existing buildings are expected to result in an estimated 15,000 cars per year of new traffic. Rental income received from Railroad property has been substantially increased as a result of intensive activities carried on throughout the year.

CHANGES IN EQUIPMENT

Diesel locomotive ownership at the end of the year was unchanged from the beginning of the year and totaled 161 locomotives, consisting of 194 units. Orders were placed during the year for 39 additional diesel locomotives which will be delivered in the first half of 1952. The new units will consist of seven 1200-horsepower switchers, nine 1500-horsepower road switchers, eleven 1600-horsepower road switchers, and twelve 660-horsepower switchers. On completion of delivery of these diesel units it is expected that 47 steam locomotives now in service will be retired and, with a few minor exceptions, the entire Fitchburg Division west of Ayer, the Portland Division east of Haverhill, and the New Hampshire Division north of Lowell will be completely dieselized.

Steam locomotive ownership at the end of the year totaled 213. During the year 33 steam locomotives were retired.

Revenue freight car ownership at the end of 1951 was 4,832, a reduction of 426 cars from the beginning of the year. Three hundred nineteen were sold to other railroads. The 750 new all-steel box cars leased from the Equitable Life Assurance Society under their lease plan in 1950 were delivered and placed in service in April and May. These are not included in the above ownership figure.

Passenger car ownership at the end of the year was 1,014, a reduction of 38 cars in the year. Ninety steel underframe cars were withdrawn from service. Fifty-two used steel coaches were purchased and placed in service in the commutation zone.

WAGES AND WORKING RULES

The year 1951 saw many changes in our working rules and increases in pay to both operating and non-operating employees as a result of national movements originated by the various labor organizations.

Governmental operation of the railroads through the Department of the Army which became effective on August 27, 1950 continued through the year 1951 and there is no prospect of its early termination.

Effective February 1, 1951, employees represented by the non-operating organizations received an increase of twelve and one-half (12½) cents per hour in their basic rates of pay. The agreement contains a cost-of-living increase clause which provides for an increase of



Interior of Diesel-Electric Locomotive

one (1) cent per hour for each point increase in the cost-of-living index. During the year the cost-of-living index rose to 189.3 and resulted in step increases totaling eleven (11) cents per hour. Four (4) cents of this increase became effective on January 1, 1952. The agreement also provides for a similar decrease in rates if the cost-of-living index should decline, as well as a moratorium on further changes in basic rates of pay until October 1, 1953.

Train Dispatchers, as a result of a national movement, received an increase in basic rates of pay of \$35.76 per month effective February 1, 1951. Their agreement also contains a cost-of-living adjustment clause which during the year gave them an additional twenty-two dollars (\$22.00) per month.

Agreement was reached with the Brotherhood of Railroad Trainmen in May 1951, settling their demands for wage increases and rule changes as well as a forty-hour week for yardmen. However, prior to this settlement, yardmen engaged in a so-called "sick" strike on a few selected railroads, of which your company was one, for four days in

February in an attempt to force the roads to accede to the demands of the organization which were then pending nationally. The agreement in May resulted in an increase in basic rates of twelve and one-half (12½) cents per hour for conductors and trainmen in road service, and twenty-seven (27) cents per hour for men in yard service. A cost-of-living adjustment clause identical with that granted non-operating employees resulted in an extra eleven (11) cents per hour. A moratorium on wage and rule changes until October 1, 1953 is also provided in the agreement.

In accordance with this agreement, our yardmen have been granted a forty-hour week which became effective on February 15, 1952. At that time yardmen received an additional four (4) cents an hour added to their basic rates.

The request of the Brotherhood of Locomotive Firemen and Enginemen for a five (5) day week in yard service and increases in pay, as well as the Railroad's counter proposal for rule changes which was under negotiation at the end of the year 1950, is still unsettled. The case has been heard by a Presidential Emergency Board before which the Union refused to appear. The Board's recommendations conform very closely to the agreement already reached with the Brotherhood of Railroad Trainmen.

The request of the Brotherhood of Locomotive Engineers for similar changes, which was pending at the end of 1950, is also still unsettled. The organization is now engaged in taking a strike vote.

In February 1951, an amendment to the Railway Labor Act of 1934 became effective, permitting the various labor organizations to negotiate for a union shop and check off of union dues.

Union shop and dues check off agreement has been negotiated with the Brotherhood of Railroad Trainmen, and is applicable to employees in train and yard service. The various non-operating organizations served a request for a union shop and dues check off which was referred to a Presidential Emergency Board. The Board, on February 14, 1952, recommended that a national agreement providing for the union shop and dues check-off be negotiated. The Brotherhoods promptly notified the railroads of their desire to meet to effect an agreement while the individual carriers took the Board's recommendations under consideration to decide on the next step.

While the year 1951 brought about many changes in working rules and increases in rates of pay, the moratorium provisions referred to above should help to stabilize conditions until October of 1953. However, the refusal of the engine service Brotherhoods to accept the recommendations of the Presidential Fact Finding Boards and the "pattern" changes which have been accepted by ninety per cent of all railroad employees has created a very serious situation for railroads and the public all over the country.



New Station at Putney, Vermont

ADDITIONS AND IMPROVEMENTS TO PROPERTY

During the year 28.9 single track miles of existing stone ballast were resurfaced, 20.5 miles on the Portland Division, western route main line, and 8.4 miles on the Terminal Division, Fitchburg route main line. New rail totaling 4,078 tons, of which 3,965 tons consisted of 115 lbs. rail, were installed in main line tracks, releasing rail suitable for relaying in other tracks. A rail detector car tested 1,513 track miles of rail on important main lines and branches for the purpose of revealing internal defects.

In the year 67 structures were retired, in addition to 67 segments of track, totaling 97 miles. Four hundred tons of rip rap were installed in the vicinity of three bridges between Jefferson and Gorham, N. H., and fifteen hundred tons were installed in the vicinity of White River Junction, Vt., to protect roadway embankments.

Two new track bridges were built by the State of Massachusetts in connection with the new highway Route 128, one at North Lexington on the Lexington Branch, and one at Waltham Highlands on the Central Mass. Branch.

The grade crossing elimination project at Bridge Street, Salem, Mass., was completed, and work was started on the elimination of the nearby grade crossing at North Street. Preliminary work was commenced on the elimination of the Trapelo Road and Lexington Street crossings on the Fitchburg Division main line in Waverley, Mass.

Automatic highway crossing protection was installed at 16 crossings, consisting of 2 with automatic flashers, 7 with automatic flashers and bells, and 7 with automatic flashers and half gates.

New color light signals were installed between Dole Junction, N. H., and Brattleboro, Vt. and installations were partially completed between Brattleboro and Putney, Vt., by the end of the year.

Changes or additions to engine terminal facilities were made to provide for conversion to diesel locomotives at Salem and Rockport, Mass., and at Berlin, Concord, and Plymouth, N. H.

The program of mechanizing maintenance work to the fullest extent possible was continued as 119 new units of work equipment were added. This labor-saving equipment included track motor cars, tractors, compressors, a bulldozer and numerous other small tools and machines.



Hoosac Pier and Grain Elevator

The Hoosac Pier was finally completed and was formally turned over to the Railroad under the lease between the Railroad and the Commonwealth of Massachusetts on April 1, 1951. The Railroad has also undertaken the operation of the Hoosac elevator through its subsidiary, The Mystic Terminal Co.

Work at the new Mystic Piers is progressing satisfactorily, and it is hoped that by mid-year the Railroad will be able to enter into the premises under the lease with the Commonwealth of Massachusetts.

MATERIALS AND SUPPLIES

The procurement of materials and supplies proved difficult throughout 1951. Government controls were established during the year on materials that we purchase, as well as controls over inventory and prices. Despite price controls, there has been a gradual increase in prices during 1951. Our weighted average statement of prices of materials, exclusive of fuel, indicates an increase of about 7.7% during that period.

Locomotive bituminous coal of good quality was available in adequate supply with no substantial change in price at the mines. Despite increases in freight rates that occurred, our average cost per net ton declined. This was due to our ability to obtain shipments from our regular sources, whereas during the first six months of 1950 labor troubles at the mines forced us to pay higher prices from other sources in order to maintain satisfactory operation. The increased use of diesel power reduced our purchases of locomotive coal to 192,000 net tons at an average cost f.o.b. Boston and Maine line of \$7.79 per net ton. This compares with the purchase of 233,000 net tons in 1950 at an average cost of \$7.84 per net ton.

Diesel fuel oil was available in ample supply and purchases totaled 23,556,917 gallons at an average cost of 9.47¢ per gallon. This compares with 22,698,313 gallons purchased for use in 1950 at an average price of 8.78¢ per gallon.

The total cost of all materials and supplies purchased in 1951, including fuel oil and locomotive coal, but excluding equipment purchases, was \$13,916,033, compared with \$11,720,733 in 1950.

The year just past points up sharply the basic difficulty of the railroad industry at the present time — inability to convert an adequate proportion of gross income into net income. The principal reasons why this is so are to be found in national labor and wage policies and in the

regulatory laws and their administration at both the Federal and State levels.

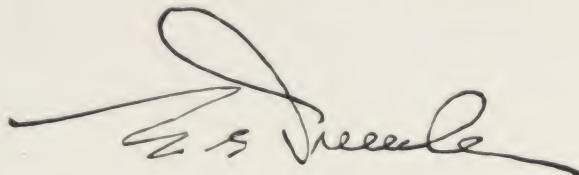
Wages and salaries are the largest item of expense in operating a railroad. If this cost is permitted to increase, as it has in recent years, without at least a comparable increase in rates and fares, it is obvious that there will be little, if any, net left for distribution to owners. The fruits of increased efficiency in the railroad plant, made possible by the expenditure of large sums of money, have gone almost entirely to labor. The powerful Federal and State Commissions must promptly come to a realization that railroads must have adequate earnings and sound credit if they are to survive as private enterprise.

Despite the inroads of other forms of transportation, taxpayer-supported to various degrees, the railroads are still the country's basic transportation and the industry can be depended on in these troubled times to maintain the high standard that it has in the past. It would be tragic if we had to have less than the best in rail transportation simply because the railroads have been kept from earning enough to attract the money needed to provide the tools to do the job.

*The Board records with deepest sorrow the death of
Augustus P. Loring, Jr., on October 1, 1951. Mr.
Loring was a wise and highly valued member of the
Board of Directors of your company since February 25,
1941. His passing is a great loss to us all.*

At the end of another year it is a pleasure once again to express appreciation to the owners, officers and employees of your company for their support, and to note with satisfaction the continuing friendly relationships which exist with our many patrons.

For the Board of Directors

A handwritten signature in black ink, appearing to read "E. S. Greene".

President

Assets

Condensed General

	Dec. 31, 1951	Dec. 31, 1950
ROAD AND EQUIPMENT		
Investment in Road	\$191,579,314 36	\$191,363,250 65
Investment in Equipment	61,682,528 41	63,955,729 84
<i>Total</i>	\$253,261,842 77	\$255,318,980 49
Improvements on Leased Property	10,121,983 74	10,057,231 52
Acquisition Adjustment	c 5,961,122 63	c 5,961,122 63
Donations and Grants	c 197,868 54	c 194,183 79
<i>Total Investment in Transportation Property</i>	\$257,224,835 34	\$259,220,905 59
Accrued Depreciation — Road and Equipment	c 22,546,893 64	c 22,108,072 07
Accrued Amortization of Defense Projects — Road and Equipment	c 10,624,214 85	c 10,624,214 85
<i>Investment in Transportation Property less Recorded Depreciation and Amortization</i>	\$224,053,726 85	\$226,488,618 67
Sinking Funds	1,663 53	1,240 48
Capital and Other Reserve Funds	1,043,023 09	850,803 82
Miscellaneous Physical Property	406,404 42	407,460 96
Investments in Affiliated Companies	2,844,434 82	2,776,236 82
Other Investments	730,947 43	544,255 88
<i>Total Investments</i>	\$229,080,200 14	\$231,068,616 63
CURRENT ASSETS		
Cash	\$ 5,953,135 22	\$ 8,654,903 42
Cash in Transit — Agents' Remittances	943,479 57	971,454 03
Temporary Cash Investments	8,090,600 00	8,101,400 00
Special Deposits	2,239,459 78	2,168,375 90
Loans and Bills Receivable	5,434 42	4,984 42
Net Balance Receivable from Agents and Conductors	2,007,003 99	2,061,256 12
Miscellaneous Accounts Receivable	3,252,002 10	4,185,057 51
Material and Supplies	6,484,575 53	4,902,708 80
Interest and Dividends Receivable	43,016 06	101,969 08
Accrued Accounts Receivable	1,429,996 24	1,902,343 26
Other Current Assets	48,592 08	20,488 52
<i>Total Current Assets</i>	\$ 30,497,294 99	\$ 33,074,941 06
DEFERRED ASSETS		
Working Fund Advances	\$ 21,744 11	\$ 17,968 09
Insurance and Other Funds	2,006,150 19	1,898,096 13
Other Deferred Assets	273,969 73	258,465 59
<i>Total Deferred Assets</i>	\$ 2,301,864 03	\$ 2,174,529 81
UNADJUSTED DEBITS		
Prepayments	\$ 129,166 76	\$ 148,171 19
Discount on Funded Debt	305,531 62	339,011 17
Property Retired Chargeable to Operating Expenses	489,264 90	911,664 90
Other Unadjusted Debits	317,919 54	373,407 81
Securities Issued or Assumed — Unpledged	7,211,900 00	4,704,100 00
<i>Total Unadjusted Debits</i>	\$ 8,453,782 82	\$ 6,476,355 07
<i>Grand Total</i>	\$270,333,141 98	\$272,794,442 57

c Indicates Credit Balance.

Balance Sheet

Liabilities

	Dec. 31, 1951	Dec. 31, 1950
CAPITAL STOCK		
Common Stock — 395,051 shares	\$ 39,505,100 00	\$ 39,505,100 00
Preferred Stock — 31,498 shares	3,149,800 00	3,149,800 00
First Preferred Stock — 388,179 shares	38,817,900 00	38,817,900 00
Prior Preference Stock (Includes Negotiable Receipts)	23,138,500 00	23,138,500 00
<i>Total Capital Stock</i>	(a) \$104,611,300 00	(a) \$104,611,300 00
Premiums on Capital Stock	4,227,040 14	4,227,040 14
<i>Total Capital Stock and Premiums</i>	\$108,838,340 14	\$108,838,340 14
LONG-TERM DEBT		
Funded Debt Unmatured	(b) \$ 86,684,200 00	\$ 86,718,200 00
Lease and Purchase Agreements — Equipment	7,460,557 75	10,400,159 77
<i>Total Long-Term Debt</i>	\$ 94,144,757 75	\$ 97,118,359 77
CURRENT LIABILITIES		
Traffic and Car Service Balances — Net Payable	\$ 4,562,946 94	\$ 4,720,361 12
Audited Accounts and Wages Payable	3,792,950 89	3,159,896 82
Miscellaneous Accounts Payable	1,752,143 45	2,100,209 73
Interest Matured Unpaid	1,175,957 63	1,231,543 63
Dividends Matured Unpaid	12,349 64	14,808 45
Unmatured Interest Accrued	1,137,123 33	1,161,491 07
Accrued Accounts Payable	1,240,376 84	960,921 14
Taxes Accrued	3,689,382 73	5,536,796 45
Other Current Liabilities	24,771 34	32,175 02
<i>Total Current Liabilities</i>	\$ 17,388,002 79	\$ 18,918,203 43
DEFERRED LIABILITIES		
Pension and Welfare Reserves	\$ 75,000 00	\$ 25,000 00
New York State E.G.C. Projects	307,065 10	315,638 81
Other Deferred Liabilities	114,427 54	99,527 59
<i>Total Deferred Liabilities</i>	\$ 496,492 64	\$ 440,166 40
UNADJUSTED CREDITS		
Insurance Reserves	\$ 50,000 00	\$ 50,000 00
Accrued Depreciation — Leased Property	224,619 01	167,392 72
Other Unadjusted Credits	311,239 08	438,741 67
<i>Total Unadjusted Credits</i>	\$ 585,858 09	\$ 656,134 39
SURPLUS		
Additions to Property through Income and Surplus	\$ 14,822,146 85	\$ 14,822,146 85
Funded Debt Retired through Income and Surplus	21,565,300 23	21,531,300 23
Sinking Fund Reserves	1,172,180 53	9,578 53
Miscellaneous Fund Reserves	1,299,080 88	1,216,026 82
<i>Total Appropriated Surplus</i>	\$ 38,858,708 49	\$ 37,579,052 43
Unearned Surplus	598,088 04	598,088 04
Earned Surplus	(c) 9,422,894 04	(c) 8,646,097 97
<i>Total Surplus</i>	\$ 48,879,690 57	\$ 46,823,238 44
<i>Grand Total</i>	\$270,333,141 98	\$272,794,442 57

(a) Includes \$264,000.00 held by or for Company.

(b) Includes \$7,593,900.00 held by or for Company.

(c) Includes Surplus Earned by Lessor Companies before Consolidation.

Income Account

	Year ended Dec. 31, 1951	Increase or Decrease	Per Cent
TRANSPORTATION REVENUE			
Freight	\$67,835,695 22	\$2,433,675 24	3.72
Passenger	11,361,086 42	d 220,500 95	1.90
Baggage	8,391 10	d 22,006 82	72.40
Parlor and Chair Car	18,134 69	d 3,487 28	16.18
Mail	3,252,779 88	d 728,682 04	18.30
Express	911,530 20	19,501 10	2.19
Other Passenger-Train	279,569 28	d 41,851 53	18.02
Milk	1,319,058 22	d 6,725 02	.51
Switching	858,733 44	108,437 03	14.45
<i>Total Transportation Revenue</i>	\$85,844,978 45	\$1,538,359 73	1.82
INCIDENTAL REVENUE			
Dining and Buffet	\$ 121,262 95	\$ 5,867 72	5.08
Station and Train Privileges	127,472 62	d 4,069 40	3.09
Parcel Room	4,929 05	d 4,016 05	44.90
Storage — Freight	34,151 49	d 3,818 80	10.06
Storage — Baggage	4,411 95	193 20	4.58
Demurrage	556,875 38	218,589 20	64.62
Communication	29,253 67	d 1,003 40	3.32
Grain Elevator	56,889 46	41,123 12	260.83
Power	81,362 46	5,918 89	7.85
Rents of Buildings and Other Property	1,000,161 84	54,495 84	5.76
Miscellaneous	358,081 77	d 3,946 85	1.09
<i>Total Incidental Revenue</i>	\$ 2,374,852 64	\$ 309,333 47	14.98
Joint Facility — Cr.	\$ 205,003 12	d \$ 8,793 80	4.11
Joint Facility — Dr.	5,119 77	d 52 64	1.02
<i>Total Joint Facility Operating Revenue</i>	\$ 199,883 35	d \$ 8,741 16	4.19
<i>Total Operating Revenues</i>	\$88,419,714 44	\$1,838,952 04	2.12
OPERATING EXPENSES			
Maintenance of Way and Structures	\$15,265,733 22	\$1,307,308 05	9.37
Maintenance of Equipment	13,528,492 86	1,157,554 57	9.36
Traffic	1,351,311 97	75,444 18	5.91
Transportation	37,774,318 48	2,125,399 00	5.96
Miscellaneous Operations	233,779 42	47,995 23	25.83
General	3,654,275 72	277,748 57	8.23
<i>Total Operating Expenses</i>	\$71,807,911 67	\$4,991,449 60	7.47
<i>Operating Ratio</i>	(81.21%)	(4.04%)	
<i>Net Operating Revenue</i>	\$16,611,802 77	d \$3,152,497 56	15.95

d Indicates decrease.

Income Account (Continued)

	Year ended Dec. 31, 1951	Increase or Decrease	Per Cent
TAX ACCRUALS	\$ 7,710,136 71	d\$ 866,305 38	10.10
<i>Operating Income</i>	\$ 8,901,666 06	d\$2,286,192 18	20.43
Rent from Locomotives	\$ 28,422 40	d\$ 1,812 26	5.99
Rent from Passenger-Train Cars	448,128 80	d 23,146 64	4.91
Rent from Work Equipment	22,894 10	d 13,477 99	37.06
Joint Facility Rent Income	423,185 06	12,080 10	2.94
<i>Total Rent Income</i>	\$ 922,630 36	d\$ 26,356 79	2.78
Hire of Freight Cars — Debit Balance	\$ 3,642,514 59	d\$ 252,045 80	6.47
Rent for Locomotives	20,709 03	17,989 04	661.36
Rent for Passenger-Train Cars	483,945 69	d 63,823 93	11.65
Rent for Work Equipment	71 72	47 96	201.85
Joint Facility Rents	770,066 44	32,050 35	4.34
<i>Total Rents Payable</i>	\$ 4,917,307 47	d\$ 265,782 38	5.13
<i>Net Rents Payable</i>	\$ 3,994,677 11	d\$ 239,425 59	5.65
<i>Net Railway Operating Income</i>	\$ 4,906,988 95	d\$2,046,766 59	29.43
OTHER INCOME			
Income from Lease of Road and Equipment	\$ —	d\$ 112,126 62	100.00
Miscellaneous Rent Income	296,420 40	18,300 67	6.58
Income from Nonoperating Property	9,850 23	d 1,323 76	11.85
Separately Operated Proper- ties — Profit	—	d 95,000 00	100.00
Dividend Income	40,276 50	d 58,282 50	59.13
Interest Income	205,490 80	d 34,732 25	14.46
Income from Sinking and Other Reserve Funds	92,593 49	4,991 80	5.70
Miscellaneous Income	54,197 99	d 497 80	.91
<i>Total Other Income</i>	\$ 698,829 41	d\$ 278,670 46	28.51
<i>Total Income</i>	\$ 5,605,818 36	d\$2,325,437 05	29.32

Income Account (Concluded)

	Year ended Dec. 31, 1951	Increase or Decrease	Per Cent
MISCELLANEOUS DEDUCTIONS			
FROM INCOME			
Miscellaneous Rents	\$ 122,921 52	\$ 116,152 02	—
Miscellaneous Tax Accruals . .	12,040 00	d 1,100 00	8.37
Miscellaneous Income Charges .	42,778 57	23,531 58	122.26
Income Applied to Sinking and Other Reserve Funds . . .	123,194 50	6,423 00	5.50
<i>Total Miscellaneous Deductions</i>	\$ 300,934 59	\$ 145,006 60	93.00
<i>Income Available for Fixed Charges</i>	\$ 5,304,883 77	d\$2,470,443 65	31.77
FIXED CHARGES			
Rent for Leased Roads	\$ 474,880 84	d\$ 3,410 93	.71
Interest on Funded Debt —			
Fixed Interest	2,542,189 24	d 75,226 18	2.87
Interest on Unfunded Debt .	11,216 65	d 1,915 79	14.59
Amortization of Discount on Funded Debt	26,765 19	d 684 10	2.49
<i>Total Fixed Charges</i>	\$ 3,055,051 92	d\$ 81,237 00	2.59
<i>Income after Fixed Charges (Available Net Income)</i>	\$ 2,249,831 85	d\$2,389,206 65	51.50
CONTINGENT CHARGES			
Sinking Fund — Series RR Bonds	\$ 679,102 00	—	
Interest on Funded Debt —			
Contingent Interest	1,031,680 00	d\$ 31,636 73	
Sinking Fund — Series A Bonds	482,870 00	—	
<i>Total Contingent Charges</i>	\$ 2,193,652 00	d\$ 31,636 73	
<i>Net Income after Fixed Charges and Other De- ductions, transferred to Profit and Loss</i>	\$ 56,179 85	d\$2,357,569 92	

d Indicates decrease.

Earned Surplus—December 31, 1951

<i>Item</i>	<i>Debit</i>	<i>Credit</i>
Balance, December 31, 1950 (Credit) . . .		(a) \$8,646,097 97
Credit Balance from Income Account for year 1951		56,179 85
Adjustment to Par of Boston and Maine Railroad Bonds purchased during 1951		500,663 17
Retired Miscellaneous Property Sold — Net		231,805 74
Miscellaneous Debits — Net	\$ 11,852 69	
Credit Balance, December 31, 1951	(a) 9,422,894 04	
	\$9,434,746 73	\$9,434,746 73

(a) Includes Surplus Earned by Lessor Companies before Consolidation.

DISTRIBUTION OF THE INCOME DOLLAR — 1951

Average Number of All Employees, 12,893

Total Payroll — All Services, \$51,693,631

	CENTS
	WAGES 54.61
	MATERIAL & SUPPLIES 11.02
	TAXES 8.67
	FUEL 5.10
	DEPRECIATION & RETIREMENT 4.78
	INTEREST & LEASE RENTALS 4.54
	EQUIPT. & JT. FACILITY RENTS 4.48
	ALL OTHER EXPENSES 4.02
	SALARIES 1.42
	DEBT REDUCTION 1.30
	NET INCOME .06

Operating Expenses

	Year ended Dec. 31, 1951	Increase or Decrease
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence	\$ 944,480 46	\$ 80,905 24
Roadway Maintenance	1,266,213 17	161,706 43
Tunnels and Subways	49,142 28	4,104 50
Bridges, Trestles and Culverts	370,295 49	59,065 97
Ties	557,157 20	d 77,727 60
Rails	232,858 89	246,625 87
Other Track Material	511,678 25	114,594 97
Ballast	119,555 73	d 40,091 61
Track Laying and Surfacing	3,855,831 18	356,026 37
Fences, Snowsheds and Signs	85,458 43	7,021 22
Station and Office Buildings	675,940 19	25,552 37
Roadway Buildings	57,415 59	10,048 76
Water Stations	42,503 07	8,123 62
Fuel Stations	26,279 28	d 5,294 32
Shops and Enginehouses	528,488 71	d 19,480 89
Grain Elevators	33,350 94	23,513 63
Wharves and Docks	16,976 72	d 7,144 03
Coal and Ore Wharves	5,017 51	d 13,836 79
Communication Systems	88,779 99	3,379 16
Signals and Interlockers	1,104,278 35	106,386 78
Power Plants	5,211 68	d 4,802 25
Power-Transmission Systems	87,433 03	30,478 95
Miscellaneous Structures	—	d 308 84
Road Property — Depreciation	1,696,892 96	13,166 00
Retirements — Road	575,963 60	d 74,582 30
Roadway Machines	206,870 94	22,552 55
Dismantling Retired Road Property	85,149 11	d 26,142 64
Small Tools and Supplies	227,335 35	22,564 72
Removing Snow, Ice and Sand	875,372 61	126,575 37
Public Improvements — Maintenance	270,306 40	63,457 46
Injuries to Persons	149,973 30	34,516 84
Insurance	19,074 45	3,621 89
Stationery and Printing	14,641 37	2,626 66
Other Expenses	6,508 49	d 892 17
Maintaining Joint Tracks, Yards and Other Facilities — Dr.	606,309 63	70,841 59
Maintaining Joint Tracks, Yards and Other Facilities — Cr.	133,011 13	19,845 43
<i>Total Maintenance of Way and Structures</i>	<i>\$15,265,733 22</i>	<i>\$1,307,308 05</i>
<i>Ratio to Total Operating Revenues</i>	<i>(17.27%)</i>	<i>(1.15%)</i>

d Indicates decrease.

Operating Expenses (Continued)

	Year ended Dec. 31, 1951	Increase or Decrease
MAINTENANCE OF EQUIPMENT		
Superintendence	\$ 712,830 42	\$ 66,271 48
Shop Machinery	233,090 30	39,480 56
Power-Plant Machinery	59,180 51	d 5,888 81
Shop and Power-Plant Machinery —		
Depreciation	109,592 00	d 1,553 00
Dismantling Retired Shop and Power-Plant Machinery	243 11	d 3,089 67
Steam Locomotives — Repairs	1,618,474 25	d 109,028 48
Other Locomotives — Repairs	3,277,370 83	800,668 98
Freight-Train Cars — Repairs	1,968,951 19	d 91,359 10
Passenger-Train Cars — Repairs	3,013,505 61	442,765 46
Work Equipment — Repairs	314,527 37	36,242 48
Miscellaneous Equipment — Repairs	5,561 25	d 1,832 39
Dismantling Retired Equipment	62,288 60	10,906 30
Retirements — Equipment	—	4,400 00
Equipment — Depreciation	1,872,425 66	37,222 56
Equipment — Amortization of Defense Projects	—	d 23,436 36
Injuries to Persons	65,319 67	d 8,357 66
Insurance	95,521 87	d 5,119 81
Stationery and Printing	12,342 56	2,643 78
Other Expenses	13,074 60	d 4,638 84
Joint Maintenance of Equipment Expenses — Dr.	101,466 00	d 28,975 46
Joint Maintenance of Equipment Expenses — Cr.	7,272 94	d 232 55
<i>Total Maintenance of Equipment</i>	<i>\$13,528,492 86</i>	<i>\$1,157,554 57</i>
<i>Ratio to Total Operating Revenues</i>	<i>(15.30%)</i>	<i>(1.01%)</i>
TRAFFIC		
Superintendence	\$ 574,603 95	\$ 64,431 68
Outside Agencies	443,530 56	23,742 94
Advertising	193,024 09	d 10,553 48
Traffic Associations	61,288 32	d 1,303 77
Industrial and Immigration Bureaus	28,502 51	7,243 25
Insurance	111 75	d 63 85
Stationery and Printing	50,250 79	d 7,977 64
Other Expenses	—	d 75 00
<i>Total Traffic</i>	<i>\$ 1,351,311 97</i>	<i>\$ 75,444 18</i>
<i>Ratio to Total Operating Revenues</i>	<i>(1.53%)</i>	<i>(.06%)</i>

d Indicates decrease.

Operating Expenses (Continued)

	Year ended Dec. 31, 1951	Increase or Decrease
TRANSPORTATION		
Superintendence	\$ 1,007,296 59	\$ 103,654 69
Dispatching Trains	419,426 10	35,434 39
Station Employees	6,052,492 29	403,589 02
Weighing, Inspection and Demurrage		
Bureaus	36,354 34	2,198 52
Station Supplies and Expenses	582,425 60	57,226 96
Yardmasters and Yard Clerks	1,267,020 33	102,110 11
Yard Conductors and Brakemen	2,465,261 54	298,913 85
Yard Switch and Signal Tenders	435,887 47	48,022 35
Yard Enginemen	291,111 00	d 43,640 00
Yard Motormen	1,150,833 53	196,530 66
Yard Switching Fuel	355,699 69	d 83,197 09
Water for Yard Locomotives	10,494 75	d 540 52
Lubricants for Yard Locomotives	19,217 37	d 3,190 46
Other Supplies for Yard Locomotives	16,759 17	1,107 72
Enginehouse Expenses — Yard	235,798 78	7,929 59
Yard Supplies and Expenses	89,588 59	7,033 98
Operating Joint Yards and Terminals		
—Dr.	2,534,606 79	221,461 59
Operating Joint Yards and Terminals		
—Cr.	433,889 32	31,519 29
Train Enginemen	1,274,798 09	d 64,109 61
Train Motormen	2,471,383 46	348,988 83
Train Fuel	3,501,536 71	d 78,738 14
Water for Train Locomotives	71,793 59	d 12,626 56
Lubricants for Train Locomotives	195,730 55	6,677 65
Other Supplies for Train Locomotives	147,486 50	30,034 41
Enginehouse Expenses — Train	1,838,413 85	146,596 28
Trainmen	5,368,937 22	406,580 14
Train Supplies and Expenses	2,473,048 02	257,991 57
Signal and Interlocker Operation	789,514 54	73,241 10
Crossing Protection	1,617,185 51	94,762 75
Drawbridge Operation	68,247 90	5,756 16
Communication System Operation	61,043 92	d 3,288 02
Stationery and Printing	165,224 66	37,492 31
Other Expenses	38,381 79	1,491 30
Operating Joint Tracks and Facilities		
—Dr.	47,858 54	7,151 46
Operating Joint Tracks and Facilities		
—Cr.	64,523 63	1,948 78
Insurance	11,306 68	d 6,706 72
Clearing Wrecks	66,116 17	9,789 80
Damage to Property	51,617 32	20,737 90
Damage to Live Stock on Right of Way	5,257 82	756 71
Loss and Damage — Freight	608,640 77	d 9,514 27
Loss and Damage — Baggage	3,928 67	938 51
Injuries to Persons	425,005 22	d 469,781 25
<i>Total Transportation</i>	<i>\$37,774,318 48</i>	<i>\$2,125,399 00</i>
<i>Ratio to Total Operating Revenues</i>	<i>(42.72%)</i>	<i>(1.55%)</i>

^d Indicates decrease.

Operating Expenses (Concluded)

	Year ended Dec. 31, 1951	Increase or Decrease
MISCELLANEOUS OPERATIONS		
Dining and Buffet Service	\$ 178,584 31	\$ 1,999 55
Grain Elevators	55,185 26	45,992 91
Other Miscellaneous Operations	9 85	2 77
<i>Total Miscellaneous Operations</i>	\$ 233,779 42	\$ 47,995 23
<i>Ratio to Total Operating Revenues</i>	<i>(.26%)</i>	<i>(.04%)</i>
 GENERAL		
Salaries and Expenses of General Officers	\$ 276,474 35	\$ 19,758 54
Salaries and Expenses of Clerks and Attendants	2,364,260 75	195,821 44
General Office Supplies and Expenses	179,009 79	5,948 91
Law Expenses	246,580 59	29,699 92
Insurance	797 02	10
Pensions and Gratuities	318,170 69	d 4,876 80
Stationery and Printing	73,098 52	18,964 34
Valuation Expenses	39,114 40	2,244 58
Other Expenses	130,100 83	8,599 78
General Joint Facilities — Dr.	26,668 78	1,587 76
<i>Total General</i>	\$ 3,654,275 72	\$ 277,748 57
<i>Ratio to Total Operating Revenues</i>	<i>(4.13%)</i>	<i>(.23%)</i>
 <i>Total Operating Expenses</i>	\$71,807,911 67	\$4,991,449 60
<i>Ratio to Total Operating Revenues</i>	<i>(81.21%)</i>	<i>(4.04%)</i>

^d Indicates decrease.

Capital Stock and Long-Term Debt Outstanding

CAPITAL STOCK	Amount Outstanding	Dividend Rate
Prior Preference	\$ 23,136,100 00	7 $\frac{7}{10}$ %
Prior Preference Negotiable Receipts . .	2,400 00	7 $\frac{7}{10}$ %
First Preferred Class A	18,860,000 00	5 $\frac{5}{10}$ %
" " " B	7,648,800 00	8 $\frac{8}{10}$ %
" " " C	7,917,100 00	7 $\frac{7}{10}$ %
" " " D	4,327,000 00	10 $\frac{10}{10}$ %
" " " E	65,000 00	4 $\frac{1}{2}$ $\frac{1}{10}$ %
Preferred	3,149,800 00	6 $\frac{6}{10}$ %
Common	39,505,100 00	
	\$104,611,300 00	
LONG-TERM DEBT	Amount Outstanding	
Bonds secured by Mortgage dated December 1, 1919, supplemented as of July 1, 1940		
Series II	\$ 1,237,000 00	
" RR	55,995,700 00	
" JJ	902,000 00	
" AC	3,065,000 00	
Income Mortgage " A	25,261,500 00	
Vermont Valley Railroad 1st Mortgage Bonds	c 223,000 00	
<i>Total Mortgage Bonds</i>	\$86,684,200 00	
Lease and Purchase Agreements — Equipment	7,460,557 75	
<i>Grand Total Long-Term Debt</i>	\$94,144,757 75	

Capital Stock Outstanding December 31, 1951—Leased Roads

CAPITAL STOCK	Amount Outstanding	Dividend Rate (Paid as rental)	Owned, Held in Treasury or Insurance Fund
Stony Brook	\$ 300,000 00	7 $\frac{7}{10}$ %	\$ 38,700 00
Northern	3,068,400 00	6 $\frac{6}{10}$ %	1,034,700 00
Vermont and Massachusetts	3,193,000 00	6 $\frac{6}{10}$ %	659,600 00
<i>Total Capital Stock</i> . . .			\$1,733,000 00

December 31, 1951—Owned Road

Cumulative Dividends Unpaid Since †Jan. 1, 1932 — *Oct. 1, 1931			Amount in Hands of Public	Owned, Deposited with Trustee, or Held in Treasury**
†\$140 00 per share	\$32,114,600 00		\$ 22,939,000 00	\$ 197,100 00
†\$140 00 "	3,360 00		2,400 00	
*\$101 25 "	19,069,526 25		18,834,100 00	25,900 00
*\$162 00 "	12,391,056 00		7,648,800 00	
*\$141 75 "	11,214,551 25		a 7,911,500 00	5,600 00
*\$202 50 "	8,755,897 50		4,323,900 00	3,100 00
*\$ 91 125 "	59,231 25		65,000 00	
Non-cumulative			3,149,800 00	
			39,472,800 00	32,300 00
			\$104,347,300 00	\$ 264,000 00
Date of Maturity	Rate			
May 1, 1955	5 %		\$ 1,237,000 00	
July 1, 1960	4 %		51,415,300 00	\$4,580,400 00
April 1, 1961	4 $\frac{3}{4}$ %		897,000 00	b 5,000 00
September 1, 1967	5 %		2,424,000 00	b 641,000 00
July 1, 1970	4 $\frac{1}{2}$ %		22,894,000 00	2,367,500 00
October 1, 1955	4 %		223,000 00	
Various	Various		\$ 79,090,300 00	\$7,593,900 00
			7,460,557 75	
			\$ 86,550,857 75	\$7,593,900 00

** No interest.

a Includes 12 shares held for conversion of Concord & Montreal Railroad Stock.

b Deposited with and held by Trustee in Lieu of Mortgaged Property Sold, to release would require cash payment at par.

c Issued under Vermont Valley Railroad Mortgage dated October 1, 1940, assumed on December 31, 1949.

Miles of Road Operated, December 31, 1951

STEAM ROADS	Owned	Leased	Total
Main Lines	877 68	137 20	1,014 88
Branch Lines	608 07	4 32	612 39
Trackage Rights	—	74 00	74 00
<i>Total Road Operated</i>	1,485 75	215 52	1,701 27
Second Track	455 91	a 79 86	535 77
Third Track	8 06	b 7 69	15 75
Other Tracks	868 68	98 53	967 21
<i>Total Track Operated</i>	2,818 40	401 60	3,220 00

a Includes trackage rights 13.17 miles.

b Includes trackage rights .99 mile.

Additions and Betterments (Operating Property)—December 31, 1951

TITLE ACCOUNT		Gross Expenditures	Property Retired	Net Capital Changes
ROAD				
1	Engineering	\$ 34,632 14	\$ 40,753 18	\$ 6,121 04
2	Land for Transportation Purposes	15,413 23	139,328 27	123,915 04
3	Grading	30,916 56	5,377 00	25,539 56
6	Bridges, Trestles and Culverts	46,550 55	31,765 62	14,784 93
8	Ties	9,135 23	31,143 12	22,007 89
9	Rails	397,319 85	389,952 32	7,367 53
10	Other Track Material	539,859 72	388,258 67	151,601 05
11	Ballast	147 20	12,576 32	12,429 12
12	Track Laying and Surfacing	62,241 83	29,185 28	33,056 55
13	Fences, Snowsheds and Signs	7,982 38	313 00	7,669 38
16	Station and Office Buildings	241,614 61	413,124 90	171,510 29
17	Roadway Buildings	9,315 13	1,416 27	7,898 86
18	Water Stations	8,597 90	43,266 29	34,668 89
19	Fuel Stations	4,569 23	20,537 67	15,968 44
20	Shops and Enginewholes	203,420 76	83,606 85	119,813 91
21	Grain Elevators	5,329 71	—	5,329 71
23	Wharves and Docks	902 27	—	902 27
26	Communication Systems	3,849 61	3,355 38	491 23
27	Signals and Interlockers	400,211 83	84,580 90	315,630 93
29	Power Plants	3,535 21	—	3,535 21
31	Power-Transmission Systems	30,758 33	12,913 45	17,844 88
35	Miscellaneous Structures	230 73	—	230 73
37	Roadway Machines	113,238 80	46,681 64	66,557 16
38	Roadway Small Tools	1,372 97	—	1,372 97
39	Public Improvements—Construction	4,706 60	5,364 49	657 89
44	Shop Machinery	52,967 60	155,891 62	102,924 02
45	Power-Plant Machinery	1,483 12	4,009 24	5,492 36
Total Road		\$2,227,336 86	\$1,943,404 48	\$ 283,932 38
EQUIPMENT				
51	Steam Locomotives	\$ 5,680 86	\$1,200,968 16	\$1,206,629 02
52	Other Locomotives	136,094 53	—	136,094 53
53	Freight-Train Cars	78,200 76	1,012,234 06	934,083 30
54	Passenger-Train Cars	527,921 33	836,294 81	308,373 48
57	Work Equipment	98,940 13	49,807 38	49,132 75
58	Miscellaneous Equipment	3,969 40	13,362 31	9,392 91
Total Equipment		\$ 839,465 29	\$3,112,666 72	\$2,273,201 43
GENERAL EXPENDITURES				
72	General Officers and Clerks	—	\$ 213 00	\$ 213 00
73	Law	—	122 00	122 00
74	Stationery and Printing	—	14 00	14 00
75	Taxes	—	68 00	68 00
76	Interest during Construction	—	2,653 45	2,653 45
77	Other Expenditures—General	—	46 00	46 00
Total General Expenditures		—	\$ 3,116 45	\$ 3,116 45
Totals		\$3,066,802 15	*\$5,059,187 65	\$1,992,385 50

* DISPOSITION OF CREDITS

Account No.

701 — Road and Equipment Property — (Equipment Converted)	\$ 50,000 00
702 1/2 — Accrued Depreciation — Road and Equipment — Owned Road	3,066,362 84
708 — Cash — (Land, Buildings, Equipment, Rail and Track Fastenings Sold)	1,054,505 16
716 — Material and Supplies — (Usable Material)	219,666 62
779 — Accrued Depreciation — Leased Property	97,125 71
531 — Operating Expenses	568,632 73
621 — Profit and Loss — Miscellaneous Debits	2,894 59

Total Amount credited to Investment in Road and Equipment \$5,059,187 65

Operating Statistics

	Year ended Dec. 31, 1951	Increase or Decrease
AVERAGE MILES OF ROAD OPERATED		
Freight service	\$ 1,690.69	\$ 8.61
Passenger service	1,404.69	.21
<i>Total</i>	<i>1,702.04</i>	<i>8.61</i>
TRAIN MILEAGE		
Freight service (with locomotives)	3,202,048	51,491
Passenger service (with locomotives)	5,798,629	240,592
Passenger service (without locomotives)	228,109	14,500
Work service	90,525	2,353
<i>Total train miles</i>	<i>9,319,311</i>	<i>279,936</i>
* LOCOMOTIVE MILEAGE		
Freight service	3,459,926	52,404
Passenger service	5,985,996	249,221
Train switching	298,194	15,660
Yard switching	2,132,850	76,200
Work service	149,388	935
<i>Total locomotive miles</i>	<i>12,026,354</i>	<i>361,230</i>
CAR MILEAGE		
Freight-Train Car Miles:		
Loaded	124,233,559	2,414,593
Empty	50,215,214	3,810,421
Caboose	3,273,995	53,320
<i>Total freight-train car miles</i>	<i>177,722,768</i>	<i>6,278,334</i>
Passenger-Train Car Miles:		
Passenger coaches	16,265,170	775,535
Sleeping and parlor cars	3,442,054	22,018
Club, lounge, dining and observation cars	157,571	3,314
Business cars	11,471	547
Mail, express, and baggage cars, and combination cars other than passenger	14,664,122	331,385
Combination passenger cars (mail, express, or baggage with passenger)	3,696,986	265,173
<i>Total passenger-train car miles</i>	<i>38,237,374</i>	<i>1,396,878</i>
<i>Total transportation service car miles</i>	<i>215,960,142</i>	<i>7,675,212</i>
AVERAGES		
Operating revenues per mile of road	\$ 51,949.26	\$1,336.47
Operating expenses per mile of road	42,189.32	3,130.21
Net railway operating income per mile of road	2,883.00	1,181.98
Operating revenues per train mile	9.58	.47
Operating expenses per train mile	7.78	.75
Net railway operating income per train mile53	.20
Total freight cars per revenue train mile	54.48	1.05
Loaded freight cars per revenue train mile	38.80	.13
Empty freight cars per revenue train mile	15.68	.93
Total passenger cars per train mile	6.34	—

* Includes 8,937,347 Diesel Locomotive Miles.
Italics indicate decrease.

Traffic Statistics

	Year Ended Dec. 31, 1951	Increase or Decrease
FREIGHT		
Freight Revenue	\$ 67,835,695	\$ 2,433,675
Tons of revenue freight carried	19,750,343	199,548
Tons of company freight carried	1,181,580	16,798
<i>Total tons of freight carried</i>	<i>20,931,923</i>	<i>182,750</i>
Tons of revenue freight carried one mile	3,229,847,951	31,849,981
Tons of company freight carried one mile	76,130,760	<i>4,592,308</i>
<i>Total tons of freight carried one mile</i>	<i>3,305,978,711</i>	<i>27,257,673</i>
PASSENGER		
Passenger Revenue:		
Monthly commutation ticket passengers	\$ 1,087,918.82	\$ 55,881.77
All other commutation ticket passengers	1,704,248.09	67,099.99
Single fare ticket passengers (not including interline)	4,853,734.42	197,339.72
Interline ticket passengers	3,715,185.09	99,820.53
<i>Total passenger revenue</i>	<i>\$11,361,086.42</i>	<i>\$220,500.95</i>
Number of Passengers Carried:		
Monthly commutation ticket passengers	3,584,935	338,865
All other commutation ticket passengers	7,536,019	201,233
Single fare ticket passengers (not including interline)	5,422,483	292,691
Interline ticket passengers	1,160,261	20,987
<i>Total number of passengers carried</i>	<i>17,703,698</i>	<i>811,802</i>
Number of Passengers carried one mile:		
Monthly commutation ticket passengers	86,201,526	8,379,107
All other commutation ticket passengers	77,687,817	3,013,534
Single fare ticket passengers (not including interline)	167,253,230	6,057,952
Interline ticket passengers	106,817,132	1,001,947
<i>Total number of passengers carried one mile</i>	<i>437,959,705</i>	<i>16,448,646</i>
Number of passengers to and from Boston, including monthly ticket passengers	17,145,987	902,182
AVERAGES		
Freight:		
Miles hauled — revenue freight	163.53	.04
Tons of revenue freight per train mile	1008.68	25.75
Tons of revenue freight per loaded car mile	26.00	.75
Revenue per ton of freight	\$ 3.43466	\$.08942
Revenue per ton per mile (cents)	2.100	.055
Revenue per revenue train mile	\$ 21.185	\$ 1.083
Freight revenue per loaded car mile (cents)	54.603	2.962
Passenger:		
Average distance carried per passenger (miles)	24.74	.20
Number of passengers per train mile	72.67	—
Number of passengers per car mile	18.71	.14
Revenue per passenger (cents)	64.17	1.62
Revenue per passenger mile, monthly commutation ticket passengers (cents)	1.262	.053
Revenue per passenger mile, other commutation ticket passengers (cents)	2.194	.001
Revenue per passenger mile, single fare not including interline (cents)	2.902	.012
Revenue per passenger mile, interline passengers (cents)	3.478	.061
Revenue per passenger mile, all passengers (cents)	2.594	.045
Passenger revenue per passenger car mile (cents)	48.543	1.207
Total passenger service train revenue per train mile . . .	\$ 2.866	\$.056*

* 1950 figure restated to include Dining and Buffet Revenue.

Italics indicate decrease.

CARLOADS HAULED IN 1951



408,683

CARS OF MANUFACTURERS
AND MISC.



89,824

CARS OF PRODUCTS
OF MINES



77,313

CARS OF PRODUCTS
OF AGRICULTURE



60,579

CARS OF PRODUCTS
OF FORESTS



39,816

CARS OF ANIMALS
AND ANIMAL PRODUCTS

TOTAL 676,215

